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Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 EB-08 L-03 TRSE-00 AID-05 IGA-02 /029 W
----------182036 096375 /43
R 181230Z FEB 77
FM AMEMBASSY BUENOS AIRES
TO USDA/FAS WASHDC
INFO AMEMBASSY BRASILIA
AMEMBASSY CARACAS
AMEMBASSY SANTIAGO
AMEMBASSY LIMA
AMEMBASSY BOGOTA
SECSTATE WASHDC 9172

UNCLAS BUENOS AIRES 1336

GRAIN & FEED DIV. FCA FROM AGATT

E.O. 11652: N/A
SUBJECT: ARGENTINA SUSPENDS FURTHER WHEAT SALES DECLARATIONS
(11-AL-9)

TOFAS 37/AR 7020

1. JUNTA NACIONAL DE GRANOS HAS REQUESTED COOPERATION OF
PRIVATE SHIPPERS AND COOPERATIVES TO RESTRAIN FROM MA-
KING ADDITIONAL WHEAT SALES DECLARATIONS UNTIL JUNTA COM-
PLETES REVIEW OF CURRENT WHEAT AVAILABILITY SITUATIONS.
SHIPPERS AND COOPERATIVES HASVE AGREED TO WTIHHOLD MAKING
ADDITIONAL SALES DECLARATIONS FOR ONE WEEK. ACCEPTANCE BY
JUNTA OF SALES DECLARATIONS IS EQUIVALENT TO ISSUANCE OF
EXPORT LICENSE. THIS ACTION TAKEN AS JUNTA CONCERNED THAT
EXPORT COMMITMENTS GETTING TOO LARGE VIS-A-VIS POTENTIAL
EXPORTABLE SUPPLY. JUNTA ALSO RAISED MINIMUM EXPORT PRICE
BELOW WHICH IT WILL NOT ACCEPT SALES DECLARATIONS TO $97
PER TON FOR FEB-MARCH SHIPMENTS RISING $1 PER MONTH TO
$104 FOR SETPBEMBER SHIPMENT REFLECTING TIGHT SITUATION,
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PRICES HAVE BEENRISING AND LAST WEEK 130,000 TONS SOLD TO
BRAZIL AT $97.50 TO $99.40 PER TON FOB. BEGIN NOT PUBLICA-
TION:

2. FOLLOWING IS AGATT ANALYSIS OF CURRENT WHEAT SITUATION:
PRODUCTION ESTIMATED AT 11.0 MILLION TONS AND NET EXPORTA-
BLE SURPLUS (NO ALLOWANCE FOR STOCK CHANGES ALTHOUGH BEGI-

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NNING STOCKS MAY HAVE BEEN AROUND ONE MILLION TONS) ESTI-
MATED AT 6.5 MILLION TONS. EXPORT COMMITMENTS CALCULA-
TED AS FOLLOWS: SALES DECLARATION BY PRIVATE SHIPPERS 4.4
MILLION TONS, BILATERAL AND DIRECT SALES (CINCLUDING 500,000
TONS WITH CHILE AND 160,000 TONS WITH PERU) 1.2 MILLION TONS
AND BILATERAL JUST SIGNED WITH VENEZUELA FOR 300,000 TONS
FOR TOTAL OF 5.9 MILLION TONS.
UNDERSTAND THAT JUNTA MAY ONLY BE ESTIMATING PRODUCTION
AT 10.6 MILLIONS, THEREFORE, THEIR CONCERN FOR INCREASING
EXPORT COMMITMENTS IS OBVIOUS. IN ANY CASE, GIVE UNCERTA-
INTY ABOUT FINAL CROP FIGURE AND MARKET SIGNAL OF RISING
PRICES, IT IS CLEAR THAT EXPORT COMMITMENTS AS PRESENTED
ABOVE ARE APPROACHING LIMIT ESPECIALLY FOR THIS EARLY STAGE
IN MARKETING SEASON.

3. SEVERAL AREAS ARE UNCLEAR. IN CASE OF 500,000 TONS BILA-
TERAL WITH CHILE, SHIPPERS HAVE BEEN INFORMED THAT SALES
ARE TO BE MADE BY THEM AND NOT JUNTA, THUS, IN CALCULATION
OF EXPORT COMMITMENTS, THERE COULD BE DOUBLE COUNTING IF SHI-
PPERS HAVE ALREADY MADE SALES DECLARATIONS IN ANTICIPATION
OF FUTURE SALES. IF THIS IS THE CASE, TOTAL SALES COMMIT-
MENTS MAY BE LESS THAT 5.9 MILLION TONS. ALSO, 150,000
TONS WITH ALGERIA AND 75,000 TONS WITH LIBYA ARE INCLUDED
IN BILATERAL TOTAL OF 1.2 MILLION TONS, BUT LITTLE IS KNOWN
AS TO HOW FIRM THESE AGREEMENTS ARE.

4. ALTHOUGH ADDITIONAL NEW SALES DECLARATIONS ARE TEMPORA-
RILY SUSPENDED, THIS DOES NOT NECESSARILY MEAN THAT ARGEN-
TINE WHEAT WILL NOT BE OFFERED AT TENDERS SUCH AS BRAZI-
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LIAN AS SHIPPERS MAY HAVE MADE DECLARATIONS IN ANTICIPATION
OF FUTURE SALES.

5. CONCERNING RECENTLY SIGNED BILATERAL WITH VENEZUELA THAT
INCLUDES 300,000 TONS OF WHEAT AND 300,00 TONS OF CORN AND/OR
SORGHUM, THIS IS DESCRIBED AS A FRAMEWORK AGREEMENT. AS
OPPOSED TO 1976 AGREEMENT, SALES OF ARGENTINE GRAINS ARE
SUPPOSED TO BE MADE BY PRIVATE SHIPPERS, NOT JUNTA AS WAS
CASE IN 1976. ALSO, REQUIREMENT THAT SHIPPMENTS BE DIVIDED
50/50 BETWEEN ARGENTINE/VENEZUELAN VESSELS HAS BEEN DROPPED.
SALES ARE TO BE ON COMMERCIAL BASIS AND SAID NOT TO INCLUDE
BILATERAL TRADE CONSIDERATIONS ALTHOUGH IN SIGNING AGREEMENT
VENEZUELA IS INDICATING AN INTENT TO DIVERSITY ITS SOURCES
OF GRAIN AND TO DIRECT AT LEAST SOME OF ITS PURCHAISNG TO-
WARDS SOUTH AMERICA. END NOT FOR PUBLICATION.
CHAPLIN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: WHEAT, AGRICULTURAL PRODUCTION, EXPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770059-0228
Format: TEL
From: BUENOS AIRES
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770228/aaaaazaj.tel
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Litigation Code IDs:
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Litigation History:
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Message ID: b0a97cc4-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: UNCLASSIFIED
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Previous Classification: n/a
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Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
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Review Media Identifier:
Review Release Date: n/a
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Review Withdrawn Fields: n/a
SAS ID: 3285446
Secure: OPEN
Status: NATIVE
Subject: ARGENTINA SUSPENDS FURTHER WHEAT SALES DECLARATIONS (11-AL-9) TOFAS 37/AR 7020
TAGS: EAGR, ETRD, AR
To: USDA
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/b0a97cc4-c288-dd11-92da-001cc4696bcc
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